



U.S. Department of Justice

*United States Attorney
District of Maryland
Northern Division*

*Allen F. Loucks
United States Attorney*

*Vickie E. LeDuc
Public Information Officer*

*36 South Charles Street
Fourth Floor
Baltimore, Maryland 21201*

*410-209-4800
TTY/TDD:410-962-4462
410-209-4885
FAX 410-962-3091
Vickie.LeDuc@usdoj.gov*

**May 17, 2005
FOR IMMEDIATE RELEASE**

**FOR FURTHER
INFORMATION CONTACT
VICKIE E. LEDUC, AUSA
(410) 209-4885**

**ELLICOTT CITY MAN SENTENCED FOR
ARSON , FRAUD AND MONEY LAUNDERING**

Baltimore, Maryland - United States Attorney for the District of Maryland Allen F. Loucks announces that today U.S. District Court Chief Judge Benson E. Legg sentenced Mahendra Harilal Shah, age 59, of Ellicott City, Maryland to 15 years in prison in connection with his conviction by a federal jury on April 28, 2004 of numerous mail and wire fraud violations, money laundering, two counts of arson and the use of fire to commit a felony. Judge Legg also ordered Shah to pay Travelers Indemnity Company restitution in the amount of \$225,000.

The charges arose from a number of insurance claims made by Shah to Travelers Indemnity Company for damages caused by fire or water to his property located at 641-661 South Monroe Street, Baltimore, Maryland, otherwise known as the Shah Industrial Park. Shah was convicted of setting fire to the industrial park on January 6, 2001, which destroyed the complex. That fire was one of the largest ever in Baltimore City. It was so hot that it cracked and melted glass across the street, and so dangerous that fire officials on the scene made a decision not to send firefighters into the buildings. According to trial testimony, forensic analysis conducted by fire and police departments determined that there were two points of origin of the fire in separate buildings within

the complex and petroleum-based accelerates were used to ignite the blaze. The fire tied up approximately one-half of Baltimore City's Fire Department and emergency response personnel and equipment for many hours and water pressure to homes in West Baltimore was reduced by about half as a result of the suppression efforts. Shah sought to collect in excess of \$3 million dollars in insurance proceeds from Travelers to recover for the loss.

In imposing the sentence, Judge Legg alluded to Shah's "cavalier disregard for the lives of others" and stated that it was "only by the grace of God" that no firefighters were hurt combating this "monstrous conflagration."

The criminal charges in the indictment are the result of a joint investigation coordinated by the Bureau of Alcohol, Tobacco, Firearms and Explosives; the Internal Revenue Service - Criminal Investigation Division; the Baltimore City Police Department; the Baltimore City Fire Department and the United States Attorney's Office. The case was prosecuted by Assistant U.S. Attorneys Barbara S. Sale and James G. Warwick.